

2011 Property Tax Report

Posey County

with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Posey County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

Comparable Homestead Property Tax Changes in Posey County

The average homeowner saw a 1.9% tax bill increase from 2010 to 2011.

Homestead taxes in 2011 were still 8.2% lower than they were in 2007, before the property tax reforms.

59.6% of homeowners saw lower tax bills in 2011 than in 2007.

41.1% of homeowners saw tax increases of between 1% and 9% from 2010 to 2011.

The largest percentage of homeowners have seen between a 1% and 29% decrease in their tax bills from 2007 to 2011.

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
Summary Change in Tax Bill				
Higher Tax Bill	4,454	61.9%	2,842	39.5%
No Change	255	3.5%	68	0.9%
Lower Tax Bill	2,488	34.6%	4,287	59.6%
Average Change in Tax Bill	1.9%		-8.2%	
Detailed Change in Tax Bill				
20% or More	726	10.1%	1,487	20.7%
10% to 19%	767	10.7%	658	9.1%
1% to 9%	2,961	41.1%	697	9.7%
0%	255	3.5%	68	0.9%
-1% to -9%	1,528	21.2%	756	10.5%
-10% to -19%	286	4.0%	983	13.7%
-20% to -29%	123	1.7%	1,063	14.8%
-30% to -39%	98	1.4%	619	8.6%
-40% to -49%	90	1.3%	380	5.3%
-50% to -59%	117	1.6%	181	2.5%
-60% to -69%	97	1.3%	104	1.4%
-70% to -79%	67	0.9%	51	0.7%
-80% to -89%	19	0.3%	29	0.4%
-90% to -99%	10	0.1%	23	0.3%
-100%	53	0.7%	98	1.4%
Total	7,197	100.0%	7,197	100.0%

Note: Percentages may not total due to rounding.

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LOSS OF STATE HOMESTEAD CREDIT RAISED HOMEOWNER TAX BILLS, DESPITE SLIGHTLY LOWER TAX RATES

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Homestead Property Taxes

Homestead property taxes increased 1.9% on average in Posey County in 2011. This was less than the state average of 4.4%. Posey County homestead taxes were still 8.2% lower in 2011 than they were in 2007, before the big tax reform. The homestead tax increase in 2011 was due to the phaseout of the state homestead credit in 2011. The state homestead credit was 3.4% in Posey County in 2010. In addition, Posey's tax rates decreased slightly, on average, in 2011. The county's county option income tax homestead credit rate increased slightly as well.

Tax Rates

Property tax rates increased in about half of Posey County tax districts. The average tax rate declined by 0.4% because the increase in net assessed value exceeded a smaller increase in the levy. Levies in Posey County increased by 0.3%. The biggest levy increases were in the Alexandrian Free Public Library general fund and the county general fund. The biggest levy reduction was in the Mount Vernon Schools capital projects fund. Posey County's total net assessed value increased 0.7% in 2011. Homestead net assessments decreased by 0.3%, and agricultural net assessments grew by 1.8%. Other residential assessments showed an increase of 1.5%, while business net assessments grew by 0.8%.

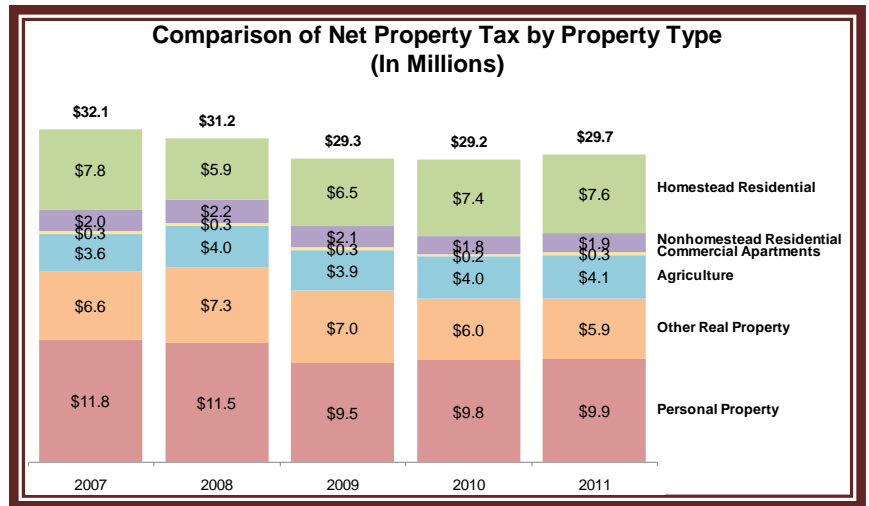
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*SMALL INCREASES IN TAXES FOR BUSINESS
AND AGRICULTURE; LARGER INCREASES FOR
OTHER RESIDENTIAL AND APARTMENTS*

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Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers rose 1.5% in Posey County in 2011, less than the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills increase by 6.1%. Tax bills for commercial apartments rose 25.1%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment - were nearly unchanged, rising by 0.6%. Agricultural tax bills rose 1.2%. This was partly due to the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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*TAX CAP CREDITS
DECREASED IN 2011*

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Total tax cap credit losses in Posey County were \$524,394, or 1.8% of the levy. This was less than the state average loss rate of 9.2% and less than the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Posey County's tax rates were less than the state median.

More than half of the total tax cap credits were in the 2% nonhomestead/farmland category; most of the rest were in the 1% homestead category. Posey County had no district tax rates above \$3 per \$100 assessed value, so no business property in the 3% tax cap category qualified for credits. The largest percentage losses were in the city of Mt. Vernon and the town of Griffin. The largest dollar losses were in Mt. Vernon, the Mt. Vernon School Corporation, and the county unit.

Posey County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$221,853	\$417,224	\$0	\$7,495	\$646,573	2.2%
2011 Tax Cap Credits	202,057	312,056	0	10,280	524,394	1.8%
Change	-\$19,796	-\$105,168	\$0	\$2,785	-\$122,179	-0.4%

Tax cap credits decreased in Posey County in 2011 by \$122,179, or 19%. The reduced credits

represent a gain of 0.4% of the total tax levy. Most of the decrease in tax cap credits was in the 2% tax cap category. The elimination of the state homestead credit prevented a bigger drop in the 1% homestead category.

The Effect of Recession

The 2009 recession had a mixed effect on Posey County assessments for pay-2011. Business property values and construction activity appear to have stagnated in Posey County in 2009, but increases in homestead and other residential values and agricultural assessments offset this decline. A bigger assessment increase would have reduced tax rates more substantially, leading to a bigger reduction in tax cap credit revenue losses.

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*2009 RECESSION REDUCED BUSINESS
ASSESSMENT GROWTH IN 2011*

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Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$1,077,547,560	\$1,096,944,900	1.8%	\$492,872,621	\$491,438,809	-0.3%
Other Residential	91,520,900	92,865,300	1.5%	90,337,410	91,713,430	1.5%
Ag Business/Land	267,353,346	272,213,046	1.8%	266,670,536	271,559,486	1.8%
Business Real/Personal	1,029,980,320	1,029,529,973	0.0%	982,414,289	989,993,640	0.8%
Total	\$2,466,402,126	\$2,491,553,219	1.0%	\$1,832,294,856	\$1,844,705,365	0.7%

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

Posey County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	2011	% Change			
						2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
County Total	45,158,723	46,568,429	29,321,878	29,551,009	29,636,027	3.1%	-37.0%	0.8%	0.3%
State Unit	41,910	47,691	0	0	0	13.8%	-100.0%		
Posey County	8,640,550	9,301,814	8,648,995	8,963,412	9,078,886	7.7%	-7.0%	3.6%	1.3%
Bethel Township	13,797	14,301	14,867	15,433	15,828	3.7%	4.0%	3.8%	2.6%
Black Township	779,071	794,313	791,787	791,086	794,515	2.0%	-0.3%	-0.1%	0.4%
Center Township	15,329	15,911	16,525	17,152	17,574	3.8%	3.9%	3.8%	2.5%
Harmony Township	41,501	46,247	47,539	38,993	30,892	11.4%	2.8%	-18.0%	-20.8%
Lynn Township	50,913	53,595	55,704	57,805	59,268	5.3%	3.9%	3.8%	2.5%
Marrs Township	243,191	254,693	264,709	274,757	281,606	4.7%	3.9%	3.8%	2.5%
Point Township	16,991	17,601	18,282	18,979	19,454	3.6%	3.9%	3.8%	2.5%
Robb Township	49,742	51,523	53,590	55,655	57,018	3.6%	4.0%	3.9%	2.4%
Robinson Township	136,709	141,849	140,369	146,144	150,565	3.8%	-1.0%	4.1%	3.0%
Smith Township	40,645	41,776	42,724	44,234	45,215	2.8%	2.3%	3.5%	2.2%
Mount Vernon Civil City	2,884,839	2,988,369	2,941,685	3,053,850	3,130,181	3.6%	-1.6%	3.8%	2.5%
Cynthiana Civil Town	61,845	64,411	62,040	66,463	67,971	4.1%	-3.7%	7.1%	2.3%
Griffin Civil Town	10,342	11,187	10,831	11,801	12,104	8.2%	-3.2%	9.0%	2.6%
New Harmony Civil Town	131,747	136,498	140,554	145,965	149,511	3.6%	3.0%	3.8%	2.4%
Poseyville Civil Town	251,914	261,464	231,893	240,483	245,617	3.8%	-11.3%	3.7%	2.1%
M.S.D. Mount Vernon School Corp	22,701,165	22,814,672	9,850,349	9,725,862	9,435,794	0.5%	-56.8%	-1.3%	-3.0%
M.S.D. North Posey County School Corp	5,734,617	6,169,436	3,573,150	3,560,661	3,609,377	7.6%	-42.1%	-0.3%	1.4%
New Harmony Town And Twp School Corp	1,359,192	1,349,939	347,995	365,347	301,514	-0.7%	-74.2%	5.0%	-17.5%
New Harmony Workingmens Institute	57,415	53,589	57,594	59,801	97,953	-6.7%	7.5%	3.8%	63.8%
Poseyville Carnegie Library	100,028	103,608	107,640	111,765	114,619	3.6%	3.9%	3.8%	2.6%
Alexandrian Free Public Library	1,251,178	1,268,296	1,318,390	1,184,991	1,309,260	1.4%	3.9%	-10.1%	10.5%
Griffin-Bethel Township Fire Protection	51,084	53,226	55,343	57,436	58,921	4.2%	4.0%	3.8%	2.6%
Wadesville-Center Township Fire	44,216	41,467	45,400	44,768	47,102	-6.2%	9.5%	-1.4%	5.2%
Posey County Solid Waste Mgt Dist	448,792	470,953	483,923	498,166	505,282	4.9%	2.8%	2.9%	1.4%

Posey County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

			Credit Rates						Net Tax Rate, Homesteads
Dist #	Taxing District	Tax Rate	LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
65005	Center Township	1.6649	--	4.2600%	--	--	--	--	1.5940
65006	Harmony Township	1.0030	--	4.2570%	--	--	--	--	0.9603
65007	New Harmony Town	1.7890	--	5.1592%	--	--	--	--	1.6967
65008	Lynn Township	1.4371	--	3.9975%	--	--	--	--	1.3797
65010	Point Township	1.3843	--	4.0376%	--	--	--	--	1.3284
65011	Robb Township	1.6482	--	4.1288%	--	--	--	--	1.5801
65012	Poseyville Town	2.4017	--	5.0630%	--	--	--	--	2.2801
65014	Smith Township	1.6640	--	4.1491%	--	--	--	--	1.5950
65015	Cynthiana Town	2.2802	--	5.1003%	--	--	--	--	2.1639
65016	Robinson Township	1.6845	--	4.0906%	--	--	--	--	1.6156
65017	Black Township	1.4662	--	3.9835%	--	--	--	--	1.4078
65018	Mount Vernon City	2.8166	--	5.9643%	--	--	--	--	2.6486
65019	Marrs Township	1.4071	--	4.0836%	--	--	--	--	1.3496
65020	Bethel Township	1.8939	--	4.7122%	--	--	--	--	1.8047
65021	Griffin Town	2.8115	--	5.7852%	--	--	--	--	2.6488

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Posey County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Total	Levy	Circuit Breaker as % of Levy
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly				
<i>Non-TIF Total</i>	202,057	312,056	0	10,280		524,394	29,636,027	1.8%
<i>TIF Total</i>	0	0	0	0		0	228,654	0.0%
<i>County Total</i>	202,057	312,056	0	10,280		524,394	29,864,681	1.8%
Posey County	36,761	56,858	0	2,634		96,253	9,078,886	1.1%
Bethel Township	0	90	0	0		90	15,828	0.6%
Black Township	1,207	1,749	0	125		3,081	794,515	0.4%
Center Township	0	0	0	8		8	17,574	0.0%
Harmony Township	0	0	0	23		23	30,892	0.1%
Lynn Township	0	0	0	25		25	59,268	0.0%
Marrs Township	8	0	0	42		50	281,606	0.0%
Point Township	0	0	0	0		0	19,454	0.0%
Robb Township	95	230	0	5		330	57,018	0.6%
Robinson Township	97	0	0	76		173	150,565	0.1%
Smith Township	6	130	0	6		143	45,215	0.3%
Mount Vernon Civil City	100,757	148,124	0	2,632		251,513	3,130,181	8.0%
Cynthiana Civil Town	100	2,172	0	90		2,362	67,971	3.5%
Griffin Civil Town	0	1,157	0	0		1,157	12,104	9.6%
New Harmony Civil Town	0	0	0	26		26	149,511	0.0%
Poseyville Civil Town	2,778	6,728	0	119		9,625	245,617	3.9%
M.S.D. Mount Vernon School Corp	47,585	69,685	0	2,361		119,631	9,435,794	1.3%
M.S.D. North Posey County School Corp	4,430	12,297	0	1,342		18,069	3,609,377	0.5%
New Harmony Town & Twp School Corp	0	0	0	185		185	301,514	0.1%
New Harmony Workingmens Institute	0	0	0	17		17	97,953	0.0%
Poseyville Carnegie Library	190	681	0	31		902	114,619	0.8%
Alexandrian Free Public Library	5,998	8,654	0	363		15,015	1,309,260	1.1%
Griffin-Bethel Township Fire Protection	0	335	0	0		335	58,921	0.6%
Wadesville-Center Township Fire	0	0	0	23		23	47,102	0.0%
Posey County Solid Waste Mgt Dist	0	0	0	0		0	0	
Posey County Solid Waste Mgt Dist	2,046	3,164	0	147		5,357	505,282	1.1%
TIF - Mt. Vernon East Side Dev. Area 1	0	0	0	0		0	226,915	0.0%
TIF - West Franklin Econ Dev Area	0	0	0	0		0	1,739	0.0%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.